AMENDED IN ASSEMBLY APRIL 16, 2001

CALIFORNIA LEGISLATURE—2001-02 REGULAR SESSION

ASSEMBLY BILL

No. 1390

Introduced by Assembly Member Firebaugh

February 23, 2001

An act to amend Section 43000 of, and to add Section 43000.3 *Sections 43000.3 and 43003* to, the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 1390, as amended, Firebaugh. Air pollution: zero-emission vehicles.

Existing law grants primary authority for the control of air pollution from vehicular sources to the State Air Resources Board. Existing law also authorizes the state board to adopt and implement motor vehicle emission standards and motor vehicle specifications. Existing Zero Emission Vehicle (ZEV) regulations adopted by the state board require, by 2003, that 10% of the new cars offered for sale in the state have no tailpipe or evaporative emissions.

This bill would require the state board to revise the ZEV regulations to utilize flexible performance requirements instead of equipment specific requirements, and to include programs that would target air quality improvements in those communities it determines are disproportionately impacted by vehicular air pollution. The bill would also establish the Low-Income Clean Air Credit Program, which would provide credits toward meeting the requirements of the ZEV regulations to any automobile manufacturer that funds specified programs in low-income communities with severe air pollution, and would require

AB 1390 — 2 —

the state board to adopt regulations implementing the program by January 1, 2003. The bill would also prohibit the state board from implementing the eurrent regulation ZEV regulations until the revision program is adopted and implemented.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 43000 of the Health and Safety Code is 2 amended to read:

43000. The Legislature finds and declares as follows:

- (a) The emission of air pollutants from motor vehicles is the primary cause of air pollution in many parts of the state.
- (b) The control and elimination of those air pollutants is of prime importance for the protection and preservation of the public health and well-being, and for the prevention of irritation to the senses, interference with visibility, and damage to vegetation and property.
- (c) The state has a responsibility to establish uniform procedures for compliance with standards which control or eliminate those air pollutants.
- (d) Vehicle emission standards applied to new motor vehicles, and to used motor vehicles equipped with motor vehicle pollution control devices, are standards with which all motor vehicles shall comply.
- (e) Dependence on petroleum based fuels in motor vehicles not only contributes to substantial degradation of air quality and risk to public health, but also impedes the state's progress toward the petroleum use reduction goal prescribed in Section 25000.5 of the Public Resources Code.
- (f) State programs to control and eliminate emission of air pollutants from motor vehicles, including the zero emission vehicle (ZEV) mandate adopted by the state board, should be structured to achieve the greatest air quality and public health improvements at the lowest reasonable public and private cost.
- (g) Programs should be flexible and performance-based, not equipment specific, to allow public and private investment to be directed towards the most promising and effective technologies and solutions.

3 AB 1390

(h) Programs also should be structured to benefit areas in the state of greatest need, in particular to benefit communities disproportionately impacted by poor air quality and related negative health consequences, including low income communities and communities of color.

- (i) The ZEV mandate, as currently structured, is primarily an equipment specific rule, requiring significant public and private investment in technologies that have not been proven to constitute the most promising and effective technologies and solutions to air quality problems in the state, and that will provide only minor air quality benefits at enormous and unreasonable public and private costs.
- (j) The ZEV mandate, as currently structured, does not direct benefits to areas of greatest need and, in particular, does not direct benefits to low income communities or communities of color that are disproportionately impacted by unhealthful air quality in the state.
- (k) If the ZEV mandate is restructured to contain flexible performance requirements in place of equipment requirements, and to contain programs targeted at improving air quality in disproportionately impacted communities, the ZEV mandate could achieve the goals of providing significant air quality benefits at the lowest reasonable public and private cost and of directing those benefits to areas of greatest need in the state.
- (l) Prior to engaging in an effort to restructure the ZEV mandate, the state board should conduct public hearings in disproportionately impacted communities to hear firsthand about programs that might be of particular benefit to those communities.
- (m) The state board should hold public hearings after traditional work hours and on weekends.
- SEC. 2. Section 43000.3 is added to the Health and Safety Code, to read:
- 43000.3. (a) To accomplish the purposes of Section 43000, the state board shall revise the ZEV mandate rule to substitute flexible performance requirements in place of the current equipment requirements, and to include programs that target air quality improvements for disproportionately impacted communities, including low income communities and
- 39 communities of color.

AB 1390 — 4 —

(b) The state board, prior to issuing a revised rule in accordance with subdivision (a), shall conduct public hearing in low income communities and communities of color throughout the state and in any other communities the state board deems appropriate.

- (c) The state board shall not implement the ZEV mandate until the amended rule described in subdivision (a) is adopted. the Low-Income Clean Air Credit Program established pursuant to Section 43003 is adopted and implemented by the state board.
- (d) The state board shall, by regulation, develop and adopt a program to directly fund air pollution control programs in those communities it determines are disproportionately impacted by air pollution, upon the appropriation of funds by the Legislature for that purpose. These programs may include, but shall not be limited to, programs providing for the following:
 - (1) Automobile buy-back.
 - (2) Bus particulate traps.
- (3) The purchase of school buses powered by natural gas. nonattainment areas in the state designated as having severe air pollution.
- SEC. 3. Section 43003 is added to the Health and Safety Code, to read:
- 43003. (a) There is hereby established the Low-Income Clean Air Credit Program, to be administered by the state board. The state board shall adopt regulations to implement the program by January 1, 2003. The Zero Emission Vehicle (ZEV) regulations adopted by the state board shall not be implemented until this program is adopted and implemented by the state board.
- (b) Any automobile manufacturer that funds an air pollution control program described in subdivision (c) shall be granted a credit toward the requirements of the ZEV regulations, in an amount determined by the state board.
- (c) The following programs shall be eligible for credits pursuant to subdivision (b), if the program is implemented in a low-income community, as determined by the state board, that is located in a nonattainment area of the state designated as having severe air pollution:
- (1) Automobile buy-back programs. To be eligible for credits pursuant to this paragraph, automobile manufacturers shall provide, at minimum, a two thousand five hundred dollar (\$2,500) voucher for the purchase of a new or used vehicle to any person

— 5 — AB 1390

who turns in a pre-1970 vehicle to that manufacturer for destruction. The maximum credit allowable under this program shall be 2 percent of the ZEV regulations requirement, as determined by the state board.

- (2) Programs to provide grants for the purchase of particulate matter traps for diesel powered buses and trucks. Recipients of grants provided pursuant to this paragraph shall be required to utilize the funds in a manner that will benefit the ambient air quality in the area in which the recipient is located. Grants shall 10 be available to any of the following:
 - (A) Trucking businesses.
 - (B) School districts.

4

5

6

11

12

13

14

15

17

19 20

21

22

23

24

25 26

27

28

30 31

32 33

34

35

36 37

38

- (C) Local transportation agencies.
- (3) Natural gas powered schoolbus purchase programs, or programs providing funding for the maintenance of natural gas powered schoolbuses or supporting infrastructure. Grants may be provided pursuant to this paragraph to any of the following entities, if the entity is located in a nonattainment area of the state designated as having severe air pollution:
 - (A) A school district.
- (B) A private entity, if the entity donates the bus to a school district.
- (C) An air quality management district or air pollution control district, if the district is required to utilize the funds in a nonattainment area of the state designated as having severe air pollution.
- (4) Programs that provide grants to any local government or nonprofit corporation that the state board determines has demonstrated experience in the acquisition, restoration, or operation of local urban parks.
- (A) Grants provided pursuant to this paragraph may be used for any of the following purposes:
 - (i) Acquiring, restoring, or operating local urban parks.
- (ii) Funding environmental programs related to local urban parks, including educational programs regarding air pollution.
- (iii) Maintaining existing local urban parks or community centers.
- (B) In order to be eligible for credits toward the ZEV regulations for programs under this paragraph, automobile manufacturers shall contribute a total of at least twenty million

AB 1390 — 6 —

4

5

6

10

12

13 14

15

16

17

dollars (\$20,000,000) to the programs annually. The maximum credit allowed toward the ZEV regulations for programs under this paragraph shall be no more than 3 percent of the ZEV requirements, as determined by the state board.

- (5) Programs that provide grants to nonprofit corporations, local governments, or local school districts for educational programs related to air pollution. In order to receive credit toward the ZEV regulations for programs under this paragraph, an automobile manufacturer shall contribute a total of at least one million dollars (\$1,000,000) to the programs annually. The maximum credit allowed toward the ZEV regulations for programs under this paragraph shall be no more than 1 percent of the ZEV requirements, as determined by the state board.
- (d) Funds or grants provided by any automobile manufacturer pursuant to this section shall not be deemed to supplant any appropriation of funds by the Legislature, or any allocation or expenditure of funds by any district or other local agency.
- 18 (e) Credits toward the ZEV regulations received by any 19 automobile manufacturer pursuant to this section may not exceed 20 8 percent of the total ZEV requirements for that automobile 21 manufacturer.